

**NOTICE OF INTENT TO ADOPT A PROPOSED
AMENDMENT TO THE GEORGIA STATE BOARD OF ACCOUNTANCY
RULE 20-2, "Definitions."
AND NOTICE OF PUBLIC HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the Georgia State Board of Accountancy (hereinafter "Board") proposes an amendment to the Georgia State Board of Accountancy Rules, CHAPTER 20-2, "Definitions," (herein after "proposed rule amendment"). The Board voted to post this notice of adoption at a meeting on April 22nd, 2009. The proposed rule amendment makes changes to the definitions and renumbers the chapter. This notice, together with an exact copy of the proposed rule amendment and a synopsis of the proposed rule amendment, is being mailed to all persons who have requested, in writing, that they be placed on a mailing list. A copy of this notice, an exact copy of the proposed rule amendment, and a synopsis of the proposed rule amendment may be reviewed during normal business hours of 8:00 A.M. to 5:00 P.M., Monday through Friday, except official State holidays, at the Office of the Secretary of State, Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia 31217. Copies may also be requested by contacting the Board office at (478) 207-2440.

A public hearing will be held at 10:00 a.m. May 11th, 2009 at the Secretary of State's Professional Licensing Boards Division, 237 Coliseum Drive in Macon, Georgia 31217 to provide the public an opportunity to comment upon and provide input into the proposed rule amendment.

At the public hearing anyone may present data, make a statement, comment or offer a viewpoint or argument whether orally or in writing. Lengthy statements or statements of a considerable technical or economic nature, as well as previously recorded messages, must be submitted for official record. Oral statements should be presented in writing. Written comments are welcome. Such written comments must be legible and signed, should contain contact information from the maker (address, telephone number and/or facsimile number, etc.) and be actually received in the office prior to the close of business (5:00 P.M.) on May 3, 2009. Written comments should be addressed to Randall D. Vaughn, Division Director, Secretary of State, Professional Licensing Boards Division, Georgia State Board of Accountancy, 237 Coliseum Drive, Macon, Georgia 31217. Telephone (478) 207-2440 or fax (866) 888-9718.

The Board will consider the proposed rule amendment for adoption at a meeting scheduled to begin at 10:00 a.m. on June 10th, 2009 at the Secretary of State's Professional Licensing Boards Division, 237 Coliseum Drive in Macon, Georgia 31217. According to the Department of Law, State of Georgia, the Georgia State Board of Accountancy has the authority to adopt the proposed rule amendment to Chapter 20-2 pursuant to authority contained in O.C.G.A. §§ 43-3-2 and 43-3-5.

At its meeting on April 22nd, 2009 the Georgia State Board of Accountancy voted that the formulation and adoption of this rule does not impose excessive regulatory cost on any licensee and any cost to comply with the proposed rule cannot be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A. §§ 43-3-2 and 43-3-5.

Additionally, at the meeting, the Board voted that it was legal and feasible to meet the objectives of O.C.G.A. §§ 43-3-2 and 43-3-5 to adopt or implement differing actions for businesses as listed at O.C.G.A. § 50-13-4(a)(3)(A), (B), (C) and (D). The formulation and adoption of these rules will impact every licensee in the same manner and each licensee is independently licensed in the field of Accountancy.

For further information, contact the Board office at (478) 207-2440.

This notice is given in compliance with O.C.G.A. § 50-13-4.

This 24th day of April, 2009.

Randall D. Vaughn
Division Director
Professional Licensing Boards Division

Posted: April 24, 2009

**SYNOPSIS OF PROPOSED REVISIONS TO THE
GEORGIA STATE BOARD OF ACCOUNTANCY
RULES**

RULE 20-2, "Definitions."

PURPOSE: The purpose of this amendment is to bring the rule into compliance with changes to O.C.G.A. 43-3-6.

MAIN FEATURES: This amendment includes definitions pertaining to Accounting rules and removes the preamble.

**DIFFERENCES BETWEEN THE EXISTING RULE AND THE PROPOSED
AMENDMENTS TO THE GEORGIA STATE BOARD OF ACCOUNTANCY
RULE 20-2, "Definitions."**

NOTE: Underlined text is proposed to be added; lined through text is proposed to be deleted.

RULE 20-2, "Definitions", is hereby revised as follows:

Preamble

~~Throughout these Rules, the "Public Accountancy Act of 1977" may be referred to as "the Act" and the State Board of Accountancy as "the Board"; "this State" refers to the State of Georgia.~~

20-2-.01 Attest.

"Attest" means providing the following financial statement service:

(a) Any audit or engagement to be performed in accordance with the Statements on Auditing Standards (SAS);

(b) Any review of financial statements to be performed in accordance with the Statements on Accounting and Review Services (SSARS); provided, however, that nothing in this definition shall alter the rights of unlicensed accountants contained in Code Section 43-3-36;

(c) Any examination of prospective financial information to be performed in accordance with Statements on Standards for Attestation Engagements (SSAE); and

(d) Any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board.

20-2-.01 .02 Audit or Examination.

"Audit or Examination" shall be deemed and construed to mean an examination as defined and comprehended by generally accepted auditing standards and will include any procedure undertaken to verify or test the reasonableness of financial information presented in financial statements with a view to expressing an opinion or commenting on the fairness of such presentation.

20-2-.02 .03 Certificate of Expression or Disclaimer of Opinion as to the Fairness of the Representation Shown Therein.

"Certificate of expression or disclaimer of opinion as to the fairness of the representations shown therein", shall be deemed and construed to mean any report, transmittal letter or other written communication issued or associated with financial statements which contains either an expression of opinion or other comment as to the fairness, accuracy or reasonable credibility of such financial statements (whether unqualified, qualified, adverse, piecemeal, no opinion or otherwise) or a disclaimer of opinion (i.e., an assertion to the effect that an opinion cannot be expressed) within the meaning of generally accepted auditing standards.

20-2-.03.04 Client.

"Client" shall be deemed and construed to mean the person(s) or entity which retains a practitioner or his firm for the performance of professional services

20-2-.05 Compilation.

"Compilation" means providing a service to be performed in accordance with the Statements on Standards for Accounting and Review Services that presents information in the form of financial statements that are the representation of management or owners without undertaking to express any assurance as to the statements.

20.2-.06 CPA.

"CPA" means Certified Public Accountant.

20-2-.04 -.07 Enterprise.

"Enterprise" shall be deemed and construed to mean any person(s) or entity, whether organized for profit or not, for which a practitioner or his firm provides professional services.

20-2-.05 --.08 Financial Statements.

"Financial Statements" shall be deemed and construed to mean statements and footnotes related thereto that purport to show financial position which relates to a point in time or changes in financial position which relates to a period of time, and statements which use a cash or other ~~incomplete~~ comprehensive basis of accounting. Balance sheets, statements of income, statements of retained earnings, statements of changes in financial position and statements of changes in owners' equity are financial statements. Incidental financial data included in management advisory services reports to support recommendations to a client, and tax returns and supporting schedules do not, for purposes of these rules, constitute financial statements; and the statement, affidavit or signature of preparers required on tax returns neither constitutes an opinion on financial statements nor requires a disclaimer of such opinion.

20-2-.06 -.09 Firm.

"Firm" means any person, proprietorship, partnership, corporation, association, or any other legal entity which practices public accountancy.

20-2-.07-10 Generally Accepted Accounting Principles.

"Generally accepted accounting principles" shall be deemed and construed to mean accounting principles or standards generally accepted in the United States, including, but not limited to, Accounting Principles Board Opinions as published by the American Institute of Certified Public Accountants and Statement of Financial Accounting Standards, as published by the Financial Accounting Standards Board.

20-2-.08-11 Generally Accepted Auditing Standards.

"Generally accepted auditing standards" shall be deemed and construed to mean the generally accepted auditing standards set forth in statements issued by the American Institute of Certified Public Accountants, and adopted by the Board together with interpretations thereof.

20-2-.12 Home Office.

"Home Office" means the location identified by the client as the address to which a service described in paragraph (4) of subsection (b) of Code Section 43-3-24 is directed.

20-2-.09-13 Licensee.

"Licensee" shall be deemed and construed to mean a person holding a certificate issued by the Board, or registered with the Board, and holding a permit to practice, pursuant to O.C.G.A. 43-3 84-204, 84-205 and 84-206; and a firm registered with the Board or holding a permit to practice pursuant to O.C.G.A. 43-3. 84-207 and 84-208. ~~The term includes each firm of which a licensee is a partner, officer or shareholder, and each partner, officer or shareholder of a firm which is a licensee.~~

20-2-.14 Live Permit.

"Live permit" means a permit issued under Code Section 43-3-24 which is in full force and effect.

20-2-.10-15 Office.

"Office" shall be deemed and construed to mean any space which is maintained by a firm for the practicing of public accounting, and has any of the following identification:

- (a) Listing in a telephone or any other directory;
- (b) Name printed on entrance doors, lobby directories, windows, etc.; or
- (c) Maintaining any space where someone works regularly or is available for meeting the public, ~~including an answering service.~~

20-2-.11 16 Practice of public accountancy.

"Practice of, or practicing public accounting" shall be deemed and construed to mean offering to perform or performing for a client one or more types of services involving the use of accounting or auditing skills, or one or more types of management advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters, while holding oneself out in such manner as to state or imply that one is a licensee

20-2-.17 Principal place of business.

"Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

20-2-.12 18 Professional Engagement.

"Professional Engagement" shall be deemed and construed to mean the association between a client and a practitioner relative to the performance of professional services by the practitioner for the client.

20-2-.13 19 Professional Services.

"Professional services" shall be deemed and construed to mean any services performed or offered to be performed by a licensee for a client in the course of the practice of public accountancy

20-2-.14 20 Public Communication.

"Public Communication" shall be deemed and construed to mean a communication made in identical form to multiple persons or to the world at large, as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card or directory.

20-2-.15 21 Purport, or Purporting to Result From.

"Purport, or purporting to result from" shall be deemed and construed to mean: having the appearance of being; claiming or intending; intending to show; signifying; implying.

20-2-.22 State.

"State" means the District of Columbia and any state other than this state and any territory or insular possession of the United States.

Authority O.C.G.A. Secs. 43-3-2 and 43-3-5.